

§ 58-56-66. Grounds for suspension or revocation of license.

(a) The Commissioner shall, after notice and opportunity for hearing, suspend or revoke the license of a TPA if the Commissioner finds that either of the following apply to the TPA:

- (1) The TPA is using methods or practices in the conduct of its business that render its further transaction of business in this State hazardous or injurious to insured persons or the public.
- (2) The TPA has failed to pay any judgment rendered against it in this State within 60 days after the judgment has become final.

(b) The Commissioner may, after notice and opportunity for hearing, suspend or revoke the license of a TPA if the Commissioner finds that any of the following apply to the TPA:

- (1) The TPA has violated a rule or an order of the Commissioner or any provision of this Chapter.
- (2) The TPA has refused to be examined or to produce its accounts, records, and files for examination, or any of its officers has refused to give information with respect to its affairs or has refused to perform any other legal obligation as to that examination, when required by the Commissioner.
- (3) The TPA has, without just cause, refused to pay proper claims or perform services arising under its contracts or has, without just cause, caused covered individuals to accept less than the amount due them or caused covered individuals to employ attorneys or bring suit against the TPA to secure full payment or settlement of the claims.
- (4) The TPA is an affiliate of or under the same general management, interlocking directorate, or ownership as another TPA or insurer that unlawfully transacts business in this State without having a license.
- (5) The TPA at any time fails to meet any qualification for which issuance of the license could have been refused had the failure then existed and been known to the Commissioner at the time of the application.
- (6) The TPA has been convicted of, or has entered a plea of guilty or nolo contendere to, a felony without regard to whether judgment was withheld.
- (7) The TPA is under suspension or revocation in another state.

(c) The Commissioner may without advance notice or hearing immediately suspend the license of any TPA if the Commissioner finds that any of the following apply to the TPA:

- (1) The TPA is insolvent or financially impaired. "Financially impaired" means that the TPA is unable or potentially unable to fulfill its contractual obligations.
- (2) A proceeding for receivership, conservatorship, rehabilitation, or other delinquency proceeding regarding the TPA has been commenced in any state.
- (3) The financial condition or business practices of the TPA otherwise pose an imminent threat to the public health, safety, or welfare of the residents of this State. (1991, c. 627, s. 1.)